

NEBRASKA TRS ADVISORY COMMITTEE MEETING
Public Service Commission Hearing Room
300 The Atrium, 1200 N Street
Lincoln, Nebraska
January 26, 2006

The Nebraska Telecommunications Relay Advisory Committee met on January 26, 2006 at the Public Service Commission Hearing Room in Lincoln, Nebraska.

There being a quorum present, the meeting was called to order at 1:30 p.m. by Tami Richardson-Nelson. The following committee members were present:

Mr. Eric Carstenson;
Mr. James Devaney;
Ms. Tami Richardson-Nelson;
Mr. Art Nelson;
Commissioner Lowell Johnson served in Jerry Vap's absence.

Ms. Patti Reitz indicated her absence in advance. Mr. Jerry Hohnbaum was absent.

Introduction of Guests: Present from the Nebraska Commission for the Deaf and Hard of Hearing (NCDHH) was Tanya Wendel. Gene Hand, Steve Stovall and Mackenzie Sorich were present from the Public Service Commission. Present from Hamilton Telecommunications were Barb Handrup and Christa Cervantes. Francis Beaurivage and Jamy Elker interpreted the meeting.

Approval of the Agenda: Motion by Mr. Nelson to accept the agenda as presented. Mr. Devaney seconded. Upon agreement of all committee members present, the agenda was approved as presented.

Approval of the Minutes of May 5, 2005: Motion made by Mr. Carstenson to accept the minutes as presented. Seconded by Mr. Devaney. Upon agreement of all committee members present, the minutes were approved as presented.

Chairperson's Comments:

- 1.) Tami Richardson-Nelson directed Ms. Wendel to report on the High-Speed Connectivity Demo provided in Scottsbluff last spring.
- 2.) Tami expressed concern in accessing current statutes and bylaws regarding relay on the PSC's website. Mr. Stovall indicated a current copy would be uploaded to the website. A copy will be provided electronically to all members.
- 3.) Tami indicated that there are not many statistics on speech-impaired users. Would like to see if these statistics could be available in the future.
- 4.) Tami commented on the role this committee should have in the future, given the evolution of technology and how that may impact traditional TTY use.

5.) Thanks were extended to Commissioner Lowell Johnson in serving in Commissioner Jerry Vap's absence.

Vice Chairperson's Comments: Mr. Carstenson extended appreciation to Hamilton for their participation with the high-speed connectivity workshops.

Nebraska Commission for the Deaf and Hard of Hearing (NCDHH) Comments:

1.) Ms. Wendel indicated a replacement for Mr. Carstenson was needed. Mr. Carstenson suggested Kim Remington (telecommunications industry representative).

2.) Ms. Wendel indicated Commissioner Jerry Vap is available to serve an additional term as committee member. Concern was expressed for the continued absence of Mr. Hohnbaum from committee meetings. Ms. Wendel indicated she would inquire of Mr. Hohnbaum regarding his future status on the advisory committee.

3.) The high-speed connectivity workshop in Scottsbluff had 25 in attendance. Participation by the educational sector was not as high as expected. The facilities were excellent, but some of the carrier connections were slow.

4.) Suggestions to change the surcharge appropriation from \$.01 to \$.02 for the equipment distribution program was suggested. With the loss of some 40% of the senators due to term limits, caution was urged in how to address increases in funding proposals.

Public Service Commission Comments:

1.) Updated Relay Statistics – Gene Hand. Mr. Hand indicated that the gradual decline in relay minutes is evident and could be the result of relay users migrating to other technologies – for example wireless and IP-enabled services. Mr. Stovall indicated relay statistics have been updated through December 2005.

Concerns were raised as to whether all groups of relay users were being served, especially speech-impaired where special equipment ranges in the \$3,000 - 7,000 per unit price. More awareness activities targeting speech-impaired consumers should take place. An additional concern was raised regarding whether some groups were being met to the exclusion of TTY users. Mr. Hand indicated that the statute gives no preference to any one group. For example, deaf, hard-of-hearing, speech impaired and Deaf/Blind groups are all referenced in statute. Mr. Stovall indicated 152 TTYs had been distributed for the FY 2004-05. As of December year-to-date for FY 2005-06, 71 TTY units had been distributed. On an annualized basis, it appears a similar volume of TTYs will be distributed.

2.) Equipment Distribution Program update – Steve Stovall. Mr. Stovall indicated that equipment payments to vendors remains steady. The monthly average for actual expenditures in the current fiscal year is \$32,519. The monthly budget average is \$21,206 for fiscal year 2005-06. The budget amount is determined by statute and equates to what one-cent of the surcharge produces each month in revenue.

Mr. Stovall shared a separate spreadsheet regarding other relevant equipment program statistics. With 50.41% of the budget period elapsed, 76.67% of the appropriation has been

committed. If, on average 8.33% of your annual budget was spent monthly (100% divided by 12), we have committed more than three months of expenditures – more than what could be prorated for this period.

A suggestion to increase the equipment program funding appropriation limitation from \$.01 to \$.02 was offered. PSC staff will assist in developing a legislative proposal to present to a senator before the end of October timeframe.

3.) Letter Received from Vendor Regarding the Equipment Distribution Program.

Mr. Hand and Mr. Stovall held a teleconference call with Beltone regarding concerns over their advertising practices. An agreement of understanding was reached to provide the PSC with a courtesy copy of future proposed advertisements and include a reference regarding the funding source.

4.) Surcharge Determination for July 1, 2006 through June 30, 2007.

Mr. Stovall provided historical and forecast scenarios for differing surcharge rates. The recommendation by PSC staff is to reduce the surcharge to \$.05 with the possibility of sustaining this surcharge through the next assessment period. The \$.04 surcharge would draw the reserve down to a \$370,000 level, but could not be sustained at that rate for more than one year. Additionally, going to \$.05 would provide sufficient funding if the equipment program allocation is increased.

Mr. Carstenson moved to recommend to the Commission that the surcharge be reduced from its present level to \$.05 effective July 1, 2006. Motion seconded by Mr. Nelson. Ms. Richardson-Nelson expressed concern on going down to \$.05 if there are plans to increase the surcharge appropriation on the equipment program. Discussion centered on the need to adequately balance the reserve in light of all known and measurable changes that will impact the fund. The Public Service Commission is charged with the duty of maintaining a “reasonable reserve” and consequently periodic adjustments must be made to the surcharge. Upon agreement of all committee members present, the motion was approved. Ms. Richardson-Nelson was directed to issue a recommendation letter to the Commission Chair for the public hearing.

5.) PSC Commissioner Report – (Lowell Johnson substituting for Jerry Vap).

No report presented.

6.) Directory Page and Bill Insert Review.

A sample directory page and bill insert was presented for committee review. The committee was encouraged to submit any revisions to Steve Stovall electronically.

Hamilton Telecommunications Comments (Ms. Handrup/Ms. Cervantes):

A handout of CapTel and traditional relay calls, call volumes and other relay related statistics were provided to the committee. Hamilton has added two more states, Montana (effective February 2006) and Georgia (effective April 2006). The Georgia service included a relay center addition. Ms. Handrup indicated Hamilton also serves the Virgin Islands and the island of Saipan.

Effective January 12, CapTel long distance calls will be charged to the user. Previously, the relay provider absorbed these costs. Mr. Stovall worked with Ms. Handrup in developing a CapTel database customer profile and with the voucher cover letter to assist applicants with their carrier selection.

New Business:

Mr. Nelson made the following motion in regard to proposed changes to the Bylaws. Section II, Part C under “Officers”, strike item two (reference is “No person can serve as chairperson for more than two consecutive years. A person can serve again as chairperson after sitting out twelve consecutive months from the chairpersonship.”) This reference is now eliminated. Item three, strike the last two sentences that contained a similar reference as item two, above. Upon agreement of all committee members present, motion carried.

Second motion by Mr. Nelson regarding Bylaws, Section III, Part B under “Meeting Schedule”, item one, change the word shall to may. No second on motion. Mr. Carstenson proposed a friendly amendment to change the word “four” to “two” times a year for the Advisory Committee to meet. Item one now reads, “The Advisory Committee shall meet at least two (2) times a year.” Mr. Nelson accepts friendly amendment. Upon approval of all committee members present, motion carried.

Mr. Hand’s suggested a plan be developed to bring the proposal to increase the funding for the equipment program to the Legislature. Once a plan is developed, the advisory committee should seek a senator to sponsor the bill. Considerations should be given as to whether to increase the cap for the equipment program or blend the equipment program with the TRS program - by striking the reference to equipment appropriation limitation. Motion by Mr. Nelson to accept the plan as presented. Seconded by Mr. Devaney. Upon agreement of all committee members present, motion carried.

Mr. Hand also suggested the committee review the current statutes related to TRS administration and determine if further revisions to the statutes are necessary.

Mr. Nelson moved that Ms. Richardson-Nelson serve another year as Chairperson. Motion seconded by Mr. Devaney. Upon agreement of all committee members present, motion carried.

Public Comment: None.

Mr. Nelson extended appreciation to Mr. Carstenson for all his contributions to the advisory committee.

Next Meeting: Tentative for midsummer to address legislative proposals.
Meeting adjourned at 3:46 p.m. by Ms. Tami Richardson-Nelson.

Respectfully submitted,

Steven G. Stovall - Staff Accountant
Nebraska Public Service Commission
March 8, 2006